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0000139692

ARIZONA CORPORATION COMMISSION

RECEIVED

2012 SEP 26 September 16, 2012

Mr. Tim Sabo  
Roshka Dewulf & Patten, PLLC  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, AZ 85004

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

RE: IN THE MATTER OF THE APPLICATION OF VALENCIA WATER COMPANY – TOWN DIVISION FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA, DOCKET NO. W-01212A-12-0309

LETTER OF DEFICIENCY

Dear Mr. Sabo:

In reference to your rate application received on July 9, 2012, supplemented by its revision of July 13, 2012, and revised schedules on August 27, 2012, and further supplemented by the second revised schedules provided informally to Staff on September 11, 2012, this letter is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.

Staff has found several deficiencies with your application, which are listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the company corrects the deficiencies and Docket Control receives an original and sixteen copies of the corrected pages.

You have 15 calendar days, or until October 11, 2012, to correct the deficiencies or make other arrangements with Staff to remedy your rate application. If the corrections or other arrangements are not made by the above date, Staff will request your docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file an original and sixteen copies of an updated application at a later date.

The Staff person assigned to your application is Gerald W. Becker. He can be reached at (602) 542-0831, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

James R. Armstrong  
Chief, Financial & Regulatory Analysis Section  
Utilities Division

Arizona Corporation Commission

DOCKETED

SEP 26 2012

cc: Docket Control Center (sixteen copies)  
Lyn Farmer, Hearing Division  
Delbert Smith, Engineering  
Consumer Services  
Legal Division

DOCKETED BY

1. Bill determinants for 5/8" residential customers do not produce the Company's stated revenues. Net of CRT amounts, the Company reports revenues of \$2,625,197 which compare with Staff's calculated amount of \$2,643,616, a difference of \$18,419 or 0.70 percent.
2. Re: Schedule H-3, in the disclaimers under Miscellaneous Service Charges, the last disclaimer refers to an AAC rule which is incorrect. The correct rule is R14-2-409(D)(5). Also, there are no letters that refer to the disclaimers in the Proposed Miscellaneous Service Charges column.